



# Montana Crop & Livestock Reporter

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## HIGHLIGHTS:

Red Meat Production  
Milk Production  
Cattle on Feed  
Egg Production  
Farm Labor  
World Ag Supply and Demand

### October 2005 Red Meat Production

Montana slaughter plants produced 1.4 million pounds, dressed weight, of red meat during October 2005, unchanged from last year, but down 6 percent from September's production. Cattle slaughter totaled 1,800 head, 100 head above a year ago. The average live weight decreased 1 pound to 1,139 from the previous year.

During October there were 1,100 hogs slaughtered, 100 more than a year ago. The average live weight, at 231 pounds, increased 3 pounds from last year. October sheep slaughter totaled 500 head, unchanged from October 2004. The average live weight decreased 9 pounds to 116 pounds.

Commercial red meat production for the United States totaled 3.93 billion pounds in October, up slightly from the 3.92 billion pounds produced in October 2004.

Beef production, at 2.08 billion pounds, was 23 percent below the previous year. Cattle slaughter totaled 2.68 million head, down 2 percent from October 2004. The average live weight was up 13 pounds from the previous year, at 1,280 pounds.

Veal production totaled 12.6 million pounds, 2 percent above October a year ago. Calf slaughter totaled 56,400 head, down 10 percent from October 2004. The average live weight was 41 pounds above last year, at 371 pounds.

Pork production totaled 1.82 billion pounds, up 2 percent from the previous year. Hog kill totaled 9.12 million head, 2 percent above October 2004. The average live weight was 2 pounds above the previous year, at 269 pounds.

Lamb and mutton production, at 15.8 million pounds, was down 3 percent from

October 2004. Sheep slaughter totaled 229,500 head, 5 percent below last year. The average live weight was 138 pounds, up 3 pounds from October a year ago.

January to October 2005 commercial red meat production was 37.8 billion pounds, up slightly from 2004. Accumulated beef production was virtually unchanged from last year, veal was down 6 percent, pork was up 1 percent from last year, and lamb and mutton production was down 4 percent.

### October Milk Production Up 4.1 Percent

Milk production in the 23 major States during October totaled 13.4 billion pounds, up 4.1 percent from October 2004. September revised production, at 13.0 billion pounds, was up 4.7 percent from September 2004. The September revision represented a decrease of 27 million pounds or 0.2 percent from last month's preliminary production estimate.

Production per cow in the 23 major States averaged 1,636 pounds for October, 53 pounds above October 2004. The number of milk cows on farms in the 23 major States was 8.16 million head, 58,000 head more than October 2004, and 4,000 head more than September 2005.

### U.S. November 1 Cattle on Feed Up 1 Percent

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 11.5 million head on November 1, 2005. The inventory was 1 percent above November 1, 2004 and 4 percent above November 1, 2003.

Placements in feedlots during October totaled 2.80 million, 3 percent above 2004 and 1 percent above 2003. Net placements were 2.74 million head. During October, placements of cattle and calves weighing less than 600 pounds were 880,000, 600-699 pounds were 790,000, 700-799 pounds were 600,000, and 800 pounds and greater were 525,000.

Marketings of fed cattle during October

totaled 1.74 million, 3 percent below 2004 and 6 percent below 2003. This is the second lowest fed cattle marketings for the month of October since the series began in 1996. Other disappearance totaled 58,000 during October, 12 percent below 2004 and 43 percent below 2003.

### October Egg Production Up 1 Percent

U.S. egg production totaled 7.70 billion during October 2005, up one percent from last year. Production included 6.60 billion table eggs, and 1.10 billion hatching eggs, of which 1.04 billion were broiler-type and 60 million were egg-type. The number of layers during October 2005 averaged 344 million, down slightly from a year earlier. October egg production per 100 layers was 2,239 eggs, up 1 percent from October 2004.

All layers in the U.S. on November 1, 2005, totaled 345 million, down slightly from a year ago. The 345 million layers consisted of 287 million layers producing table or market type eggs, 55.3 million layers producing broiler-type hatching eggs, and 2.46 million layers producing egg-type hatching eggs. Rate of lay per day on November 1, 2005, averaged 72.4 eggs per 100 layers, up 1 percent from November 1, 2004.

Egg-type chicks hatched during October 2005 totaled 35.4 million, up 1 percent from October 2004. Eggs in incubators totaled 33.1 million on November 1, 2005, down 11 percent from a year ago.

Domestic placements of egg-type pullet chicks for future hatchery supply flocks by leading breeders totaled 189,000 during October 2005, down 29 percent from October 2004.

Broiler-type chicks hatched during October 2005 totaled 776 million, up 3 percent from October 2004. Eggs in incubators totaled 624 million on November 1, 2005, up 3 percent from a year earlier.

Leading breeders placed 6.94 million broiler-type pullet chicks for future domestic hatchery supply flocks during October 2005, up 8 percent from October 2004.

## October Farm Labor

There were 1,129,000 hired workers on the Nation's farms and ranches during the week of October 9-15, 2005, down 4 percent from a year ago. Of these hired workers, 840,000 workers were hired directly by farm operators. Agricultural service employees on farms and ranches made up the remaining 289,000 workers.

Farm operators paid their hired workers an average wage of \$9.61 per hour during the October 2005 reference week, up 29 cents from a year earlier. Field workers received an average of \$8.90 per hour, up 28 cents from last October, while livestock workers earned \$9.14 per hour compared with \$8.91 a year earlier. The field and livestock worker combined wage rate, at \$8.96 per hour, was up 27 cents from last year.

The number of hours worked averaged 42.0 hours for hired workers during the survey week, up 4 percent from a year ago.

The largest decreases in the number of hired farm workers from last year occurred in California, Florida, and in the Appalachian II (Kentucky, Tennessee, and West Virginia), Northern Plains (Kansas, Nebraska, North Dakota, and South Dakota), and Northeast I (New England and New York) regions. In California, tightened security at the Mexican border and increased competition from the higher paying construction industry caused farm worker shortages. Fruit and vegetable growers had to leave some acreage

unharvested due to the shortage. Thus, fewer workers were hired during the reference week. Declining tobacco acreage in the Appalachian II region continues to greatly decrease the demand for hired workers. In Florida, tropical storms throughout much of the growing season caused significant damage to vegetable and citrus crops and delayed harvest, lessening the need for hired workers. In the Northern Plains and Northeast I regions, rain before and during the reference week delayed field crop harvest and reduced the demand for hired workers.

The largest increases in the number of hired farm workers from a year ago were in the Southern Plains (Oklahoma and Texas), Pacific (Oregon and Washington), Corn Belt II (Iowa and Missouri), Southeast (Alabama, Georgia, and South Carolina), and Northeast II (Delaware, Maryland, New Jersey, and Pennsylvania) regions. In the Southern Plains region, despite rain in south Texas, the reference week was mainly warm and dry, in sharp contrast to the widespread rain before and during last year's reference week. Therefore, more hired workers were needed. Apple harvest in the Pacific region was virtually complete prior to last year's reference week but was still in full swing during the reference week this year. More workers were required to handle the continuation of the harvest. In the Corn Belt II and Southeast regions, the weather was virtually ideal compared to last year's rain and muddy conditions, increasing the

demand for hired workers. Continued strong demand from the nursery and greenhouse industries in the Northeast II region kept hired worker levels above last year, despite heavy rains across the region.

Hired farm worker wage rates were generally above a year ago in most regions. The largest increases occurred in the Corn Belt II, California, Appalachian II, Lake (Michigan, Minnesota, and Wisconsin), and Mountain III (Arizona and New Mexico) regions. The higher wages in the Corn Belt II region were due to the accelerated corn and soybean harvests which required highly skilled workers for combining and hauling. In California and in the Appalachian II region, wages were up due to a lower percentage of part-time workers. Sugar beet harvest in the Lake region progressed rapidly, necessitating more highly paid machine operators. Wages in the Mountain III region were higher because of more salaried workers putting in fewer hours, which pushed their hourly wage higher.

The 2005 U.S. all hired worker annual average wage rate was \$9.51, up 3 percent from the 2004 annual average wage rate of \$9.23. The U.S. field worker annual average wage rate was \$8.70, up 25 cents from last year's annual average. The field and livestock worker combined annual average wage rate at the U.S. level was \$8.84, up 3 percent from last year's annual average wage rate of \$8.56.

### Hired Workers: Annual Average Wage Rates By State, 2004-05 1/ 2/

State	All Hired		Field		Field & Livestock	
	2004	2005	2004	2005	2004	2005
	Dollars per Hour					
CO	9.73	9.04	9.14	8.09	9.09	8.32
ID	8.63	8.73	8.00	8.09	8.36	8.43
MT	<b>9.18</b>	<b>9.46</b>	<b>8.85</b>	<b>8.84</b>	<b>8.72</b>	<b>9.06</b>
ND	9.85	10.46	9.89	10.51	9.78	10.42
OR	9.66	9.90	8.91	8.95	8.84	9.06
SD	9.44	9.08	9.02	8.32	9.07	8.74
UT	9.65	9.29	8.54	8.16	8.84	8.57
WA	9.58	9.44	9.03	8.77	9.15	8.98
WY	7.16	8.15	7.01	8.14	6.69	7.48
US 3/	9.23	9.50	8.45	8.69	8.56	8.83

1/ Excludes Agricultural Service Workers. 2/ Annual rates are averages of the published wage rates for each survey week weighted by the number of hours worked during the week. The annual average for all States, Regions, and the U.S. is based on data collected for January, April, July, and October. 3/ Excludes AK.

## World Ag Supply and Demand Estimates

**Wheat:** No changes are made to U.S. 2005/06 supply and demand forecasts, leaving ending stocks at 530 million bushels, which is down just 10 million from the previous year. Relative to last month, Hard Red Winter (HRW) exports are up 10 million bushels, while Soft Red Winter (SRW) and Durum exports are each down 5 million. Ending stocks of HRW fall to 175 million bushels, the smallest since 1996/97, and SRW and Durum stocks each rise 5 million. This month, the projected 2005/06 price range is narrowed 5 cents on each end to \$3.25 to \$3.55 per bushel, compared with \$3.40 for 2004/05.

Global wheat production in 2005/06 is up nearly 3 million tons from last month; consumption, exports, and imports are little changed, but ending stocks are up 2 million tons. Foreign production is larger due primarily to bigger crops in EU-25, Saudi Arabia, Australia, Turkey, and Argentina; partially offset by smaller crops in Russia and Brazil. Projected global imports are down fractionally due to lower imports by Turkey, Saudi Arabia, and Norway. Imports by Brazil and South Korea are up. Forecast exports decline for Ukraine and Iran, but increase for Turkey and Argentina.

Global consumption is little changed from last month. The largest month-to-month consumption increases occur in feed use in Brazil, Australia, and South Korea partially offset by lower consumption in Russia and Argentina. Global 2005/06 wheat ending stocks rise 2.1 million tons, from last month, to 139.5 million, but are down nearly 10 million from the previous year. Compared to last month, the largest increases in foreign stocks are in EU-25, Ukraine, Iran, Saudi Arabia, and Australia. The largest reductions occur in Russia and Brazil.

**Coarse Grains:** This month's outlook for 2005/06 U.S. corn is for increased production, higher domestic consumption, larger stocks, and lower prices. Forecast 2005 corn production is up 175 million bushels from last month to 11.032 billion bushels (the second largest crop on record). A 75-million-bushel increase in corn used to produce ethanol boosts food, seed, and industrial use by an equal amount. Exports and feed and residual use are unchanged. Corn ending stocks are up 99 million bushels from last month and are 207 million higher than the previous year. The projected 2005/06 price range for corn is

\$1.60 to \$2.00 per bushel, down 5 cents on each end from last month, compared with \$2.06 for 2004/05.

Forecast U.S. grain sorghum production is up 13 million bushels. Except for a 10-million-bushel increase in grain sorghum feed and residual, no other changes are made in projected use. Grain sorghum ending stocks are up 3 million bushels from last month. The projected 2005/06 price range for grain sorghum is \$1.45 to \$1.85, down 5 cents on each end from last month, compared with \$1.79 for 2004/05.

The global outlook for coarse grains in 2005/06 is for increased production, higher consumption, little change in trade, and larger stocks relative to last month. Foreign production is down less than 1 million tons with the largest declines projected in Brazil, Argentina, and Romania. These losses are partially offset by larger crops in EU-25, Ukraine, and Russia. Foreign 2005/06 coarse grain consumption is little changed with declines in South Korea, Turkey, China, and Japan, mostly offset by increases in EU-25. Global 2005/06 imports and exports are little changed from last month. Imports are down for Japan and South Korea, but up for Brazil. Exports are up for Ukraine, Russia, and Turkey, but down for Argentina, EU-25, and Romania. Global 2005/06 ending stocks rise 2.4 million tons from last month but foreign stocks are down fractionally.

**Oilseeds:** U.S. oilseed ending stocks for 2005/06 are projected at 11.1 million tons, up 2.4 million tons from last month. Total U.S. oilseed production is projected at 94.9 million tons, up 2.1 million tons from last month mainly due to increased soybean production. Soybean production is forecast at 3,043 million bushels, up 76 million bushels due to increased yields. Soybean crush is raised 25 million bushels due to larger available supplies and higher-than-expected soybean meal use in recent months. Soybean exports are reduced 40 million bushels to 1,075 million bushels based on lower-than-expected sales and shipments, particularly to EU-25 and China. Soybean ending stocks are projected at 350 million bushels, up 90 million from last month. Other oilseed production is forecast higher this month with increases for cottonseed more than offsetting reduced peanut production.

Soybean oil production, consumption, exports, and stocks are all raised this month.

Increased soybean oil use for the 2005/06 marketing year primarily reflects expected increases in biodiesel production.

U.S. season-average soybean prices for 2005/06 are projected at \$4.95 to \$5.75, down 5 cents on both ends of the range. Soybean meal prices are also lower at \$155 to \$180 per short ton compared with \$155 to \$185 last month. Soybean oil prices are unchanged at 22 to 25 cents per pound.

Global oilseed production for 2005/06 is projected at 385.3 million tons, up 0.5 million tons from last month. Foreign oilseed production is reduced 1.6 million tons primarily due to lower soybean production. Brazil soybean production is projected at 58.5 million tons, down 1.5 million tons from the previous estimate based on reduced area. Recent Brazilian government surveys indicate lower area as producers face declining prices, stronger local currency, limited access to credit, and higher transportation costs, especially from the center-west region. Russian sunflower seed production is increased 0.5 million tons to 5.8 million tons this month reflecting record harvested area and good yields. Other changes include lower sunflower seed production for Argentina, and reduced cottonseed production for Brazil based on sharply lower cotton planted area. China peanut production is also reduced.

Global oilseed ending stocks for 2005/06 are reduced this month as lower soybean stocks in South America more than offset increased stocks in the United States.

**Sugar:** Projected U.S. sugar supply for 2005/06 is decreased 397,000 short tons, raw value, from last month. Reduced beginning stocks of 160,000 tons and production of 352,000 tons more than offset increased imports. Production projections are based on processors' reports compiled by the Farm Service Agency. Processor reports from Florida and Louisiana are updated to account for hurricane damage. Imports are increased 115,000 tons to account for 25,000 from Nicaragua following ratification of the Central American-Dominican Republic Free Trade Agreement and 90,000 tons of high-tier imports from Mexico. Use is increased 25,000 tons due to higher deliveries for domestic food use more than offsetting lower exports. Ending stocks are decreased to 667,000 tons, or 6.4 percent of use. (continued on back page)

## World Ag Supply and Demand Estimates (continued from page three)

For 2004/05, preliminary year-end data from processors result in supply decreasing 25,000 tons and use increasing 135,000 tons. Ending stocks are decreased to 1.36 million tons, or 12.9 percent of use.

**Livestock, Poultry, and Dairy: Note:** Due to uncertainties as to the length of the bans on trade in ruminants and ruminant products because of the discovery of BSE in the United States and Canada, forecasts for 2005 and 2006 assume a continuation of policies currently in place among U.S. trading partners. Subsequent forecasts will reflect any announced changes.

The total U.S. meat production forecasts for 2005 and 2006 are reduced from last month mainly because of lower beef output. Beef output in the fourth quarter of 2005 is lowered because the marketing pace has slowed and fewer steers and heifers are expected to be slaughtered.

The reduced pace of cattle marketings and lower slaughter is likely to carry through most of 2006, and beef production is lowered in the middle quarters. Forecast pork production for 2005 is slightly lower because pork output was lower than expected in third quarter 2005 due to lighter average carcass weights. Forecast pork production in 2006 is unchanged. Forecast broiler production is also unchanged. Turkey output is expected to be slightly higher at the end of 2005 and the first half of 2006.

Beef imports are reduced slightly in 2005 and 2006. Broiler exports are raised for the third quarter 2005 because of strong shipments through August. Both broiler and pork exports are increased in 2006 as foreign demand is expected to remain firm through the year.

Forecast cattle and hog prices for 2005 are raised as prices have remained relatively strong at the start of the fourth quarter. Cattle prices are also raised for the first three quarters of 2006 reflecting

expectations for strong demand for high quality beef and relatively tight supplies of Choice grade cattle. Broiler prices in 2005 and 2006 are reduced slightly. The turkey price forecast for 2005 is raised slightly.

Forecast milk production in 2005 and 2006 is increased from last month. Although recent milk cow numbers and dairy herd replacement prices point to slightly slower growth in milk cow herds, output per cow continues to advance as producer returns are expected to remain favorable. Cheese and butter price forecasts for 2005 and 2006 are lowered from last month to clear increased supplies of those products. Strong domestic and international demand likely will support nonfat dry milk (NDM) and whey prices, thus NDM and whey price forecasts are slightly higher. Class price forecasts are lowered for both 2005 and 2006. The all milk price for 2005 is forecast lower at \$15.15 to \$15.25 per cwt, and the 2006 forecast is reduced to \$13.15 to \$14.05 per cwt.

## Wheat: Supply, Disappearance, and Price, United States, 1988-2005

Year Begin- ning June 1	SUPPLY				DISAPPEARANCE						Ending Stocks May 31	Season Avg. Price	
	Begin- ning Stocks	Prod- uction	Imports 1/	Total	Domestic Use				Exports 1/	Total Disap- pearance			
					Food	Seed	Feed 2/	Total					
-- Million Bushels --													\$
1988 . . . . .	1,261	1,812	23	3,096	715	103	157	975	1,419	2,394	702	3.72	
1989 . . . . .	702	2,037	23	2,765	749	104	139	992	1,233	2,225	536	3.72	
1990 . . . . .	536	2,730	36	3,302	790	93	482	1,365	1,068	2,434	868	2.61	
1991 . . . . .	868	1,980	41	2,888	789	94	244	1,127	1,280	2,412	475	3.00	
1992 . . . . .	475	2,467	70	3,012	834	99	194	1,128	1,354	2,481	531	3.24	
1993 . . . . .	531	2,396	109	3,036	872	96	272	1,240	1,228	2,467	568	3.26	
1994 . . . . .	568	2,321	92	2,981	853	89	344	1,287	1,188	2,475	507	3.45	
1995 . . . . .	507	2,183	68	2,757	883	104	153	1,140	1,241	2,381	376	4.55	
1996 . . . . .	376	2,277	92	2,746	891	102	308	1,301	1,001	2,302	444	4.30	
1997 . . . . .	444	2,481	95	3,020	914	92	251	1,257	1,040	2,298	722	3.38	
1998 . . . . .	722	2,547	103	3,373	908	81	397	1,385	1,042	2,427	946	2.65	
1999 . . . . .	946	2,299	95	3,339	929	92	279	1,300	1,090	2,390	950	2.48	
2000 . . . . .	950	2,232	90	3,272	950	80	304	1,334	1,062	2,396	876	2.62	
2001 . . . . .	876	1,957	108	2,941	926	84	190	1,200	964	2,164	777	2.78	
2002 . . . . .	777	1,606	81	2,464	919	84	119	1,122	850	1,972	491	3.56	
2003 . . . . .	491	2,345	63	2,899	912	80	203	1,194	1,158	2,353	546	3.40	
2004 . . . . .	546	2,158	71	2,775	907	79	187	1,172	1,063	2,235	540	3.40	
2005 . . . . . 3/	540	2,098	80	2,718	910	78	200	1,188	1,000	2,188	530	3.25-3.55	

1/ Imports and exports include flour and other products expressed in wheat equivalent. 2/ Residual, approximates feed use and includes negligible quantities used for distilled spirits. 3/ Preliminary. SOURCE: World Agricultural Supply and Demand Estimates, November 2005--ERS. Totals may not add due to independent rounding.

### COMING IN NEXT REPORTER

Livestock & Meat Imports and  
Exports  
U.S. Meat Supply and Use  
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